

USDAUnited States
Department
of Agriculture

AES-41

Feb. 19, 2004

OutlookElectronic Outlook Report from the Economic Research Service, www.ers.usda.gov
and Foreign Agricultural Service, www.fas.usda.gov

Outlook for U.S. Agricultural Trade

Carol Whitton, ERS coordinator

Ernest Carter, FAS coordinator

U.S. Agricultural Exports Forecast At \$59 Billion For Fiscal Year 2004

Contents

[Economic Outlook](#)
[Export Products](#)
[Regional Exports](#)
[Import Products](#)
[Regional Imports](#)
[Contacts and Links](#)

Tables

[Ag. Exports](#)
[Regional Exports](#)
[Ag. Imports](#)
[Regional Imports](#)
[Reliability Tables](#)

Web Sites

[U.S. Trade Data](#)
[FAQ & Summary Data](#)
[Articles on U.S. Trade](#)

 The next release is
 May 25, 2004

Approved by the
 World Agricultural
 Outlook Board, the
 Economic Research
 Service, and the
 Foreign Agricultural
 Service, U.S.
 Department of
 Agriculture.

U.S. agricultural exports for 2004 are forecast to decline to \$59 billion, \$500 million less than November's estimate, but still \$2.8 billion above fiscal year 2003 and near the 1996 record. Stronger prices and reduced export competition for corn and wheat, higher soybean and horticultural exports, and depreciation of the U.S. dollar largely offset a reduction in beef and cattle product exports. Forecast corn exports rise \$1 billion, wheat \$500 million, soybeans \$300 million, and horticultural products \$500 million. Compared with November's estimate, expected U.S. exports of beef and cattle products drop sharply, as most importing countries, including the top markets—Japan, South Korea, and Mexico—banned certain imports because of the U.S. case of bovine spongiform encephalopathy (BSE).

The 2004 import forecast has increased by \$1 billion since November and is \$3.8 billion higher than in 2003. A tight domestic market for soybeans and increased imports of horticultural products, especially essential oils, boost the import forecast. Consequently, the forecast 2004 agricultural export surplus slips to \$9.5 billion.

Table 1--U.S. agricultural trade, fiscal years 1999-2004, year ending September 30

Item	1999	2000	2001	2002	2003	Forecast	
						Fiscal year 2004	
						Nov.	Feb.
Billion dollars							
Exports	49.1	50.7	52.7	53.3	56.2	59.5	59.0
Imports	37.3	38.9	39.0	41.0	45.7	48.5	49.5
Balance	11.8	11.9	13.7	12.3	10.5	11.0	9.5

Reflects forecasts in the Feb. 10, 2004, *World Agricultural Supply and Demand Estimates* report.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

The United States and world economies have recovered from the sluggish growth of 2001 through early 2003. Gross domestic product (GDP) growth in 2004 in the United States will be well over 4 percent, and the world economy is expected to grow approximately 3.6 percent. In the fourth quarter of 2003, U.S. GDP grew at annualized rate of 4 percent, following a spectacular 8.2-percent growth in the third quarter. The domestic economy grew 3.1 percent in 2003. World growth in 2003 was below trend at 2.4 percent.

Developed Economies

U.S. consumer spending continues to be strong with investment picking up, particularly in software and equipment. Although unemployment has been relatively high, it is likely to decline significantly through 2004. Interest rates and inflation are expected to stay low for most of the year.

GDP growth in the European Union (EU) finished below 1 percent in 2003 and is expected to be just below 2 percent in 2004. The euro has appreciated strongly against the dollar and is currently well above its 1999 issue rate. Tight monetary policy will constrain growth for the foreseeable future in the EU. The large German and French economies are expected to continue to grow below trend, at about 1.5 percent for both nations in 2004, after the recession of 2003.

For 2003, Japan's growth prospects picked up modestly as trend growth of around 1.3 percent is estimated. The year 2004 is likely to be better at 2.2 percent. Increasing integration of Asian economies, spurred by China's super growth, has improved Japan's exports. Despite a strong yen, Japan's export growth is expected to keep GDP growth in the 2 percent range through 2004. Japan continues to struggle with deflation as the appreciation of the yen relative to the dollar and other Asian currencies prevented the 2003 boom in Asian commodity prices from inducing inflation in Japan.

Developing Economies

Renewed growth in the United States and Asia is particularly important for those developing countries dependent on export markets. Economic growth in developing countries is likely to exceed 5 percent in 2004. Asian economies continue to be the most dynamic with the current boom spurred by resurgence in the electronics manufacturing sector. Overall growth in the Asian developing countries is forecast

to exceed 6 percent in 2004, led by China, Thailand, and India. Asian economic growth exceeded 5 percent in 2003. China is likely to have growth of almost 9 percent in 2004. China's imports, which rose 30 percent in 2003, are expected to rise 40 percent in 2004. This import boom ensures good export and GDP growth for East Asia. India is expected to continue rapid growth of around 7 percent in 2004. A substantial part of Asian growth has been due to intra-regional trade.

In Latin America, Argentina is expected to return to more normal growth of about 4.4 percent in 2004. Argentina's economy grew more than 7 percent in 2003, following recession in the previous 4 years. Although there has been some modest recent appreciation of the Argentine peso, it is anticipated that depreciation will persist long term. The impact of that depreciation on Argentine exports is beginning to be felt and will make Argentina a strong agricultural competitor through 2004. Brazil, which has been experiencing slow growth over the past several years, is expected to have GDP growth of around 4.5 percent in 2004. Mexico's economy is strongly tied to the United States and is expected to grow at a rate of 3.8 percent in 2004, compared with 1 percent in 2003.

GDP growth exceeding 5 percent in 2003 is likely to continue in 2004 in the transition economies. Russia's growth is forecast at 5.8 percent in 2004. An important share of this growth is due to high oil prices and expanding crude oil exports.

Although Africa's growth has improved substantially to an average GDP growth rate of more than 3 percent, the longer term impact of AIDS is already being felt in some countries as declining populations lead to diminished ability of some countries to feed themselves, much less develop economically. Political instability in the region is constraining overall growth.

Exchange Rates

The movement of world exchange rates is potentially beneficial for U.S. agricultural exports. The 10-percent depreciation of the total agricultural trade-weighted dollar (www.ers.usda/data/exchangerates) in 2003 is forecast to continue at a similar rate in 2004. U.S. agricultural exports are expected to be more competitive in world markets as the full effects of the depreciation are felt in 2004 and beyond.

The forecast for fiscal year 2004 U.S. grain and feed exports is raised \$1.8 billion from the November estimate to \$17.1 billion due to higher export volumes and unit prices for coarse grains and wheat. The feeds and fodders forecast is lowered \$200 million to \$2.4 billion, due to reduced estimates for pet foods and compound feed resulting from trade restrictions arising from the U.S. BSE case. Fiscal year 2004 wheat exports are increased 1 million tons from the November estimate to 29 million tons. Larger export volume and a higher unit value raises wheat and wheat flour exports to \$4.7 billion. With ample U.S. supply, U.S. wheat exporters continue to respond to a short-term window of opportunity created by sharply reduced 2002/03 harvests across Europe, including, Russia and Ukraine.

The forecast for U.S. coarse grain exports is raised 3.9 million tons from the November estimate to 56.9 million tons, due to an improved outlook for corn and sorghum shipments. Corn exports are revised up 3.5 million tons due to reduced export competition from Argentina and China. Higher unit value resulting from a small downward revision in the record U.S. 2003/04 corn crop, robust domestic demand, and increased export volume raises corn exports \$1 billion to \$5.9 billion. The export forecast for sorghum is raised 400,000 tons and \$110 million due to strong EU import demand, the result of its tight feed grain situation.

Fiscal 2004 U.S. rice exports are lowered 100,000 tons to 3.2 million tons, due to higher U.S. prices and better crop conditions in key markets like Brazil. But higher unit value more than offsets lower volume, raising export value \$100 million to \$1 billion. Higher unit values reflect tighter domestic exportable supplies resulting from the relatively strong pace of exports and smaller supplies this year.

The export forecast for oilseeds and products is raised \$300 million to \$10.9 billion. The tight global market for oilseeds and products is reflected in sharply higher prices for nearly every product compared with the previous year. Very strong sales to China in recent months prompt a 300,000-ton upward revision in U.S. soybean volume to 24.5 million tons. Export volume remains about 4 million tons below the previous 2 years due to the smaller 2003/04 U.S. crop. An upward revision in volume and unit values since November pushes the forecast value to a record \$7.4 billion. In marketing year 2003/04, Brazil's soybean

export volume is forecast to rise 31 percent to a record 26.7 million tons, and is expected to exceed U.S. export volume for the first time. On the demand side, China's imports from all sources are forecast at a record 23 million tons in 2003/04, or 7 percent above the previous year's record high.

The fiscal year 2004 forecast for U.S. cotton exports remains unchanged at 2.9 million tons, but value is lowered \$200 million to \$4.1 billion. China is still projected to import a record 7 million 480-lb bales in 2003/04. Some recovery in the global economy continues to support demand for cotton, and higher petroleum prices should support demand for cotton fabric by increasing the price for synthetics.

Fiscal year 2004 livestock, poultry, and dairy product exports are forecast at \$9.6 billion, down \$3.1 billion from November's estimate of \$12.7 billion. This sharp revision is entirely due to trade restrictions imposed by more than 70 countries on U.S. beef and some cattle products following the discovery of BSE in Washington State on December 23, 2003. In November, prior to the discovery of BSE, U.S. fiscal year 2004 beef exports were forecast at 892,000 tons and valued at \$3.26 billion. These figures are now lowered sharply. The estimate for beef variety meats is similarly reduced, as all major markets for U.S. variety meats have banned imports from the United States as well. Canada is the only major market to announce that it will conditionally accept U.S. beef. Many countries also banned imports of U.S. cattle products, most importantly hides, tallow, and live animals. Forecasts for these products also are lowered. In contrast, the forecast for pork and pork variety meat exports is raised, due to increased shipments and stronger prices. An upward revision in broiler meat shipments raises value \$200 million to \$1.8 billion due to reduced competitor supplies and higher prices.

The forecast for U.S. horticultural products is raised \$500 million from November to a record \$12.8 billion, up \$900 million from 2003. This would be the largest increase in several years. A weaker U.S. dollar against several key currencies—and prospects for improvement in the global economy—support this outlook. U.S. exports of horticultural products are expected to show the strongest gains to Mexico, Canada, and the EU, but exports to East Asian countries (excluding Japan) are expected to achieve significant growth as well. Overall prospects are

improved for fruits, tree nuts, and some other products like wine and essential oils, but the forecast for vegetables and preparations is unchanged. The forecast for fruits, both fresh and processed, is raised to \$3.9 billion due to improved prospects for citrus and many products of lesser export value including stone fruit, berries, and raisins. Demand for fresh California oranges is strong, and Florida's larger orange and grapefruit crops support increased sales.

An export record for tree nuts is projected with continued strong foreign demand, an adequate almond supply, and a record walnut crop expected. In other categories, solid sales growth continues for wine and essential oils. Large domestic supplies and a weaker dollar make U.S. wine more price competitive with wines produced in Europe and Australia. Exports of essential oils are increasing in part due to the large Florida citrus crop.

Table 2--U.S. agricultural exports: Value and volume by commodity, 2003-2004

Commodity	October-December		Fiscal year 2003	Forecast Fiscal year 2004	
	2002	2003		Nov.	Feb.
Billion dollars					
VALUE					
Grains and feeds 1/	3.974	4.345	14.906	15.3	17.1
Wheat and flour	1.146	1.119	4.042	4.2	4.7
Rice	0.211	0.313	0.930	0.9	1.0
Coarse grains 2/	1.415	1.620	5.180	5.5	6.6
Corn	1.258	1.441	4.563	4.9	5.9
Feeds and fodders	0.684	0.719	2.596	2.6	2.4
Oilseeds and products	3.346	4.872	10.201	10.6	10.9
Soybeans	2.421	3.868	6.533	7.1	7.4
Soybean meal	0.288	0.352	1.125	1.0	1.0
Soybean oil	0.118	0.116	0.559	0.2	0.3
Livestock products	2.195	2.428	9.074	9.3	6.0
Beef, pork, and variety meats	1.175	1.379	5.178	5.5	2.9
Hides and skins, incl. furs	0.416	0.418	1.790	1.8	1.5
Poultry and products	0.510	0.693	2.105	2.4	2.6
Broiler meat 3/	0.335	0.461	1.370	1.6	1.8
Dairy products	0.251	0.270	0.983	1.0	1.0
Tobacco, unmanufactured	0.286	0.322	0.999	1.1	1.1
Cotton and linters	0.468	0.960	2.727	4.3	4.1
Seeds	0.251	0.268	0.823	0.8	0.8
Horticultural products	3.043	3.507	11.903	12.3	12.8
Fruits and preparations	0.845	0.965	3.550	3.7	3.9
Vegetables and preparations	0.765	0.821	3.017	3.1	3.1
Tree nuts and preparations	0.534	0.665	1.490	1.6	1.7
Sugar and tropical products	0.634	0.657	2.467	2.6	2.6
Major bulk product value 4/	4.801	7.083	20.294	23.0	24.8
Total value 5/	14.957	18.323	56.187	59.5	59.0
Million metric tons					
VOLUME					
Wheat	6.119	6.966	24.434	28.0	29.0
Wheat flour	0.222	0.078	0.447	0.5	0.5
Rice	1.050	1.055	4.480	3.3	3.2
Coarse grains 2/	12.325	14.618	46.345	53.0	56.9
Corn	10.994	13.111	41.037	47.5	51.0
Feeds and fodders	3.164	3.060	11.861	11.9	11.6
Oilseeds and products	13.573	16.046	37.907	31.7	31.6
Soybeans	11.001	13.624	28.596	24.2	24.5
Soybean meal	1.467	1.400	5.455	4.1	3.9
Soybean oil	0.235	0.181	1.026	0.4	0.4
Beef, pork, and variety meats	0.488	0.502	1.993	2.0	1.1
Broiler meat 3/	0.553	0.628	2.162	2.3	2.4
Animal fats	0.428	0.359	1.353	1.4	0.8
Tobacco, unmanufactured	0.043	0.049	0.150	0.2	0.2
Cotton and linters	0.453	0.629	2.420	2.9	2.9
Horticultural products	2.043	2.121	7.963	8.2	8.5
Sugar and tropical products	0.314	0.318	1.272	1.4	1.4
Total major bulk product volume 4/	30.991	36.941	106.425	111.6	116.7

1/ Includes pulses and processed grain products. 2/ Includes corn, barley, sorghum, oats, and rye. 3/ Includes only Federally inspected product. 4/ Includes wheat, rice, coarse grains, soybeans, cotton and linters, and tobacco. 5/ Includes a small amount of miscellaneous product not elsewhere specified.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Regional Exports

The large revisions in U.S. corn, wheat, soybean, and horticultural exports, coupled with the substantial drop in beef and product exports combine to produce additional changes in expected U.S. agricultural exports to several countries and regions in 2004. Exports to the largest importers of U.S. beef—Japan, South Korea, and Mexico—decline sharply. But, offsetting the declines are higher grain prices, decreased foreign grain competition, and depreciation of the U.S. dollar, which help boost U.S. agricultural exports to all markets, including those with the beef and cattle product bans. Exports to Canada, the EU, the Middle East, and North Africa have been increased since November.

The Western Hemisphere remains the largest regional U.S. agricultural market, with exports there projected up \$200 million from November to \$22.6 billion. Canada retains its newly acquired position as the largest U.S. agricultural market; 2004 exports to Canada are forecast at \$9.9 billion. Gains in U.S. fruit exports to Canada are likely, and increases in the value of U.S. exports of processed products to Canada are expected, as the U.S. dollar depreciates against the Canadian dollar.

Mexico remains the third largest U.S. market, but forecast at \$7.7 billion, is expected to be nearly as large as Japan, the second largest market. Beef exports to Mexico are reduced sharply from November's estimates, accounting for almost all the decline since November in U.S. exports to this market. Mexico banned U.S. beef imports, but will only restrict U.S. poultry from those States affected by Avian Influenza (AI). Expected exports of wheat, rice, soybean meal, and cotton to Mexico have been increased slightly since last quarter. Horticultural exports also are expected to remain strong in 2004.

Anticipated exports of U.S. wheat to Peru and Venezuela have been boosted since November. Projected exports of corn to Colombia are raised.

Asia is again the second largest regional U.S. market after the Western Hemisphere. Expected 2004 exports to Asia are reduced to \$22.1 billion, \$2 billion less than forecast in November. Japan and South Korea banned imports of U.S. beef and cattle products in late December. But, the value of U.S. corn exports to South Korea is increased from November projections.

AI also is adversely effecting poultry production in China and Thailand, both major exporters of poultry to the rest of Asia. Consequently, Asian countries are likely to import more U.S. poultry and products than earlier anticipated. Due to AI, slower growth of poultry production in China is likely. Any resulting reduction in China's demand for imported soybeans for feed is likely to affect Brazil and Argentina more than the U.S. because most of the U.S. soybeans to be sold to China in 2004 have already been shipped. Since November, expected U.S. export of soybeans to China has been increased even further from an already high figure, while anticipated wheat exports to China also are raised.

Indonesia is likely to take more U.S. corn than had been earlier anticipated. Exports of wheat, corn, and cotton to South Asia also have been boosted.

Since November, large gains are projected in U.S. exports of wheat and corn to Africa. Exports to Sub-Saharan Africa are increased somewhat, while exports to North Africa have been boosted substantially, much of which is going to Egypt. Weather and reduced export competition from several countries in Europe, including the Black Sea region, are factors in U.S. export gains.

Likely U.S. wheat and corn exports to the Middle East in 2004 also have been boosted since November's estimate. More corn is going to Israel, Iran, and Jordan.

Projected U.S. exports to the EU also have been increased since November. Soybean demand is weaker than earlier expected and competition from soybeans and products from the forthcoming large harvests in Argentina and Brazil is anticipated stronger in this market in 2004. But, higher prices, coupled with depreciation of the U.S. dollar against the euro, boost the value of exports of U.S. processed products to this market.

Russia, like Mexico a major U.S. poultry market, has selectively banned U.S. poultry from the States affected by AI, not all U.S. poultry. Poultry exports to this market are expected to continue. Expectations for U.S. exports to this market are unchanged from November.

Table 3--U.S. agricultural exports: Value by region, 2003-2004

Country and region 1/	October-December		Fiscal year 2003	Share of total	Forecast	
	2002	2003			Fiscal year 2004 Nov.	Feb.
	Billion dollars			Percent	Billion dollars	
Asia (excl. Middle East)	5.704	7.704	21.630	38.5	24.1	22.1
Japan	2.276	2.372	8.840	15.7	9.1	7.8
China	0.924	2.443	3.473	6.2	5.4	5.4
Hong Kong	0.285	0.338	1.060	1.9	1.1	1.1
Taiwan	0.560	0.639	1.956	3.5	2.0	2.0
South Korea	0.677	0.797	2.732	4.9	2.9	2.1
Southeast Asia	0.833	0.941	2.929	5.2	3.0	3.0
Indonesia	0.234	0.309	0.909	1.6	0.9	1.0
Philippines	0.225	0.200	0.654	1.2	0.7	0.6
Malaysia	0.102	0.101	0.378	0.7	0.4	0.4
Thailand	0.188	0.241	0.622	1.1	0.6	0.6
South Asia	0.143	0.173	0.625	1.1	0.6	0.7
Western Hemisphere	5.572	6.079	21.537	38.3	22.4	22.6
Canada	2.219	2.404	9.115	16.2	9.4	9.9
Mexico	2.072	2.334	7.655	13.6	8.2	7.7
Caribbean	0.415	0.481	1.524	2.7	1.5	1.6
Central America	0.371	0.362	1.347	2.4	1.4	1.4
South America	0.494	0.498	1.895	3.4	1.9	2.0
Brazil	0.079	0.102	0.361	0.6	0.4	0.4
Colombia	0.149	0.138	0.523	0.9	0.5	0.5
Venezuela	0.108	0.091	0.388	0.7	0.4	0.4
Western Europe	2.114	2.435	6.469	11.5	6.5	7.0
European Union	2.013	2.350	6.117	10.9	6.1	6.7
Central and Eastern Europe	0.067	0.071	0.202	0.4	0.2	0.2
New Independent States 2/	0.188	0.273	0.717	1.3	0.8	0.8
Russia	0.118	0.196	0.501	0.9	0.6	0.6
Middle East	0.532	0.698	2.381	4.2	2.4	2.6
Turkey	0.121	0.165	0.857	1.5	0.9	1.0
Saudi Arabia	0.077	0.088	0.320	0.6	0.3	0.3
Africa	0.505	0.749	2.285	4.1	2.2	2.8
North Africa	0.245	0.457	1.224	2.2	1.3	1.7
Egypt	0.140	0.284	0.857	1.5	0.9	1.2
Sub-Saharan Africa	0.260	0.292	1.061	1.9	0.9	1.1
Oceania	0.140	0.176	0.785	1.4	0.7	0.7
Transshipments 3/	0.133	0.137	0.181	0.3	0.2	0.2
Total 3/	14.957	18.323	56.187	100.0	59.5	59.0

Total may not add due to rounding.

1/ Projections, other than to the 10 largest destination countries, are based primarily on trend or recent average growth analysis.

2/ New Independent States (NIS) are the former Soviet Union, including the Baltic Republics.

3/ Transshipments through Canada have not been allocated to final destinations for 1999 through 2003, but are included in the total.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

U.S. imports of agricultural products in fiscal year 2004 are forecast at \$49.5 billion, up \$1 billion from the November 2003 estimate. The forecast is \$3.8 billion larger than in fiscal year 2003, reflecting strong U.S. demand for imported food. Seasonal harvest and marketing patterns in the U.S. dictate normally smaller import arrivals in the second half of the calendar year than the first half. Horticulture imports, projected to rise by at least \$2.2 billion from 2003, are typically larger during the first and second quarters of the calendar year when domestic production is lower. Although greenhouse vegetable farmers grow their crops year-round, they still represent a small fraction of domestic production.

Imported horticulture products, which are 45 percent of total U.S. import value, are expected to increase in response to more vigorous U.S. economic conditions and at least 2.5 million more residents in 2004 than in 2003. In particular, imports of essential oils are up sharply by \$500 million as shipments from Ireland have soared since last year. Fresh and frozen fruit imports are projected to rise by \$200 million and fresh vegetables by \$300 million in 2004. U.S. farm cash receipts from fruits and nuts are forecast to rise by about \$800 million in 2004, due largely to higher prices for fresh grapes, apples from Washington State, and oranges from California. Farm sales value of fresh vegetables, however, are projected lower in 2004 due to lower average prices, about 5 percent below 2003 marketing year prices.

Fresh vegetables and fruits, including bananas, comprise 36 percent of total U.S. horticulture imports. Among fresh (and frozen) fruits, import demand is highest for grapes, berries, strawberries, melons, citrus fruits, mangoes, avocados, pineapples, and apples. For fresh vegetables, tomatoes, asparagus, broccoli, cucumbers, onions, bell and chili peppers, potatoes, and squash post the highest import values. Mexico is the largest supplier of both fresh fruits and vegetables to the U.S., shipping mainly during the winter and spring seasons.

Although other horticulture import forecasts are unchanged from November, all are increasing from values in fiscal year 2003. Imported wine is rising by at least \$300 million; processed fruits and fruit juices are up by \$200 million; processed vegetables up by \$200 million; and beer and cut flowers are each up by \$100 million. These imports reflect continued strong consumer demand for high-value products and

convenience foods. Prominent products include canned pineapple, orange and apple juice concentrates, cashew nuts, olives, canned mushrooms, prepared artichokes, sauces, and salsas. The EU, Canada, Mexico, and Australia are the largest sources of these processed horticulture imports.

Farm animals and their products make up 18 percent of U.S. agricultural imports. Only \$900 million worth of cattle and hogs are expected to enter the U.S. in 2004, due to BSE restrictions on cattle imports from Canada. Only about 1.3 million cattle and calves are anticipated to cross the border, largely from Mexico, compared with more than 2 million head in fiscal year 2003. Red meat imports are expected to rise by \$400 million from 2003, as demand for pork and processing-grade beef remains strong. In volume, imported beef and veal are projected to be 15 percent higher in 2004 as U.S. raw slaughter declines and Canadian cattle restrictions remain.

Higher import demand for grain products—breads, pasta, flour, cereals, and dough—are driving grain and feed imports up by at least \$300 million in 2004. Shipped largely from the EU and Canada, these products satisfy American's increasing appetite for high-value, ready-to-eat, or prepared foods. Overall U.S. grain production is expected up, and import shipments of barley and rice are also projected up despite their higher prices in 2004. Since imports of wheat and corn are projected down, total grain import volume roughly equals 2003's level.

A tight domestic soybean market raised prices for all soy products. Consequently, short soy supplies will induce more imports of rapeseed and soybean meal and oil, cottonseed oil, and olive oil, as well as tropical oils (coconut, palm kernel, and palm). An overall boost in imported oilseeds and products of about \$600 million, of which at least half is for vegetable oils, is forecast for 2004.

Imports of confectionery and sugar products from the EU, Canada, and Mexico are filling U.S. demand for candy, syrups, and sweeteners. These imports, along with cane and beet sugar, are forecast up by \$200 million in 2004. Tropical imports—coffee, cocoa, rubber, tea, spices, and their products—are projected to rise between \$300 and \$400 million due to generally higher prices and larger import volumes.

Table 4--U.S. agricultural imports: Value and volume by commodity, 2003-2004

Table 1. C-3: Agricultural imports: Value and volume by commodity, 2000-2004					
Commodity	October-December		Fiscal year 2003	Forecast Fiscal year 2004	
	2002	2003		Nov.	Feb.
Billion dollars					
VALUE					
Animals and products	2.321	2.595	8.591	8.5	8.4
Live animals, except poultry	0.613	0.454	1.672	0.9	0.9
Red meats and products	0.995	1.306	4.021	4.7	4.5
Beef and veal	0.603	0.834	2.392	2.9	2.8
Pork	0.275	0.315	1.150	1.3	1.2
Dairy products	0.454	0.566	1.865	1.9	1.9
Grains and feeds	1.066	1.075	3.911	4.3	4.3
Grains	0.194	0.148	0.666	0.7	0.7
Grain products	0.728	0.797	2.706	3.0	3.0
Horticulture products 1/	4.630	5.512	20.195	21.8	22.4
Bananas	0.282	0.264	1.164	1.2	1.2
Fruits, fresh and frozen	0.516	0.593	2.523	2.7	2.7
Fruits, prep. or pres., juices	0.370	0.420	1.686	1.9	1.9
Nuts and preparations	0.204	0.253	0.724	0.8	0.8
Vegetables, fresh and frozen	0.839	0.962	3.701	4.0	4.0
Vegetables, prepared or preserved	0.625	0.695	2.500	2.7	2.7
Wine	0.840	0.920	3.184	3.5	3.5
Malt beverages	0.589	0.678	2.591	2.7	2.7
Cut flowers and nursery stock	0.275	0.309	1.216	1.3	1.3
Tobacco, unmanufactured	0.132	0.219	0.670	0.6	0.6
Oilseeds and products	0.491	0.553	2.002	2.1	2.7
Sugar and related products	0.527	0.544	2.112	2.3	2.3
Coffee and products	0.449	0.458	1.949	2.1	2.1
Cocoa and products	0.521	0.687	2.266	2.4	2.4
Rubber and gums	0.225	0.240	1.032	1.1	1.1
Tea, spices, natural drugs	0.314	0.389	1.455	1.5	1.6
Nonalcoholic beverages, seeds, etc.	0.291	0.359	1.494	1.6	1.6
 Total agricultural imports	 10.968	 12.632	 45.679	 48.5	 49.5
Million metric tons					
VOLUME					
Wine 2/	1.651	1.676	6.187	6.8	6.8
Malt beverages 2/	6.190	6.808	26.988	27.2	27.2
Cattle and calves 3/	0.845	0.570	2.027	1.3	1.3
Red meats	0.379	0.420	1.526	1.8	1.7
Cheese and casein	0.084	0.096	0.320	0.4	0.4
Grains	1.189	0.812	3.969	4.2	4.0
Feeds and fodders	0.367	0.262	1.260	1.3	1.3
Fruits, fresh or frozen	0.680	0.720	3.596	3.8	3.8
Bananas	1.029	0.985	4.219	4.3	4.3
Vegetables, fresh or frozen	1.119	1.151	4.732	5.0	5.0
Vegetable oils	0.465	0.461	1.839	1.9	2.0
Sugar, beet and cane	0.390	0.447	1.473	1.6	1.6
Coffee and products	0.338	0.308	1.332	1.5	1.5
Cocoa and products	0.228	0.296	0.975	1.1	1.1

Totals may not add due to rounding.

1/ Includes essential oils. 2/ Liquid imports are measured in hectoliters. 3/ Million heads.

Sources: U.S. Department of Agriculture and Census Bureau, U.S. Department of Commerce.

Regional Imports

Half of the \$3.8-billion increase in U.S. import value in 2004 is attributed to bigger shipments from the Western Hemisphere countries, notably Mexico and Canada. Imports of fruits and vegetables from our NAFTA partners dominate U.S. horticulture trade. Early winter and spring shipments from Mexico occur before Canadian horticulture crops start arriving in late spring to late autumn. Vegetables from Canada

during the off-season are generally grown in greenhouses—tomatoes, bell peppers, and cucumbers. Fresh and processed fruits, vegetables, and nuts are also increasingly imported from Asia and Oceania, with India, Thailand, Philippines, China, Japan, and New Zealand the leading suppliers.

Table 5--U.S. agricultural imports: Value by region, 2003-2004

Country and region	October-December		Fiscal year 2003	Share of total 2003	Forecast	
	2002	2003			Fiscal year 2004	
					Nov.	Feb.
	---Billion dollars---			Percent	Billion dollars	
Western Hemisphere	5.819	6.334	23.996	52.5	25.3	25.7
Canada	2.742	2.776	10.269	22.5	10.4	10.6
Mexico	1.314	1.619	5.995	13.1	6.5	6.6
South America	1.270	1.413	5.248	11.5	5.7	5.8
Brazil	0.356	0.441	1.466	3.2	1.7	1.7
Colombia	0.262	0.262	1.031	2.3	1.1	1.1
Chile	0.243	0.256	1.200	2.6	1.3	1.3
Other South America	0.409	0.454	1.550	3.4	1.6	1.7
Central America	0.427	0.456	2.107	4.6	2.3	2.3
Costa Rica	0.164	0.184	0.845	1.9	0.9	0.9
Caribbean	0.065	0.070	0.377	0.8	0.4	0.4
Western Europe	2.570	3.231	10.226	22.4	10.8	11.2
European Union	2.513	3.162	9.993	21.9	10.6	11.0
Eastern Europe	0.097	0.096	0.343	0.8	0.4	0.4
New Independent States 1/	0.022	0.024	0.080	0.2	0.1	0.1
Asia (excluding Middle East)	1.336	1.585	5.980	13.1	6.5	6.7
China	0.250	0.346	1.184	2.6	1.4	1.4
Other Asia	0.212	0.208	0.768	1.7	0.8	0.8
Southeast Asia	0.688	0.850	3.263	7.1	3.5	3.7
Indonesia	0.237	0.310	1.158	2.5	1.2	1.2
Thailand	0.182	0.219	0.887	1.9	1.0	1.0
South Asia	0.185	0.180	0.764	1.7	0.8	0.8
India	0.168	0.163	0.692	1.5	0.7	0.7
Oceania	0.710	0.891	3.319	7.3	3.4	3.4
Australia	0.450	0.594	1.976	4.3	2.1	2.1
New Zealand	0.240	0.270	1.287	2.8	1.3	1.3
Africa	0.301	0.329	1.196	2.6	1.4	1.4
Ivory Coast	0.136	0.108	0.440	1.0	0.5	0.5
Middle East	0.113	0.143	0.539	1.2	0.6	0.6
Turkey	0.065	0.084	0.313	0.7	0.3	0.3
World total	10.968	12.632	45.679	100.0	48.5	49.5

Totals may not add due to rounding.

1/ New Independent States are the former Soviet Union, including the Baltic Republics.

Sources: U.S. Department of Agriculture and Census Bureau, U.S. Department of Commerce.

Reliability Tables

Table 6--Reliability of United States February export projections, by country, fiscal years 1977/78-2002/2003

Country/Region	Differences between February projections and final data						
	Average	Average	Max below	Max above	Below	Equal	Above
	Percent	-----Billion dollars-----			Number of years		
Asia, excl. Mid East	7.2	1.2	-2.9	3.5	13	1	12
Japan	5.7	0.4	-1.1	0.8	13	3	10
China	33.2	0.4	-1.2	1.1	9	3	14
Hong Kong 1/	6.6	0.1	-0.2	0.2	3	8	5
Taiwan 1/	6.3	0.1	-0.4	0.4	8	5	3
South Korea 1/	8.4	0.2	-0.9	0.9	5	2	9
Southeast Asia 6/	9.9	0.2	-0.5	0.4	5	1	5
Indonesia 2/	15.9	0.1	-0.2	0.1	4	0	1
Philippines 1/	11.9	0.1	-0.2	0.1	5	9	2
Malaysia 2/	8.2	0.0	0.0	0.0	0	5	0
Thailand 2/	11.2	0.1	-0.1	0.1	2	2	1
South Asia	23.0	0.2	-0.3	0.4	5	1	12
Canada	6.2	0.2	-1.5	0.2	15	4	7
Mexico 3/	14.0	0.4	-1.2	1.0	13	1	9
Caribbean 4/	9.0	0.2	-0.2	0.1	1	0	1
Central America 4/	6.8	0.1	-0.1	0.1	1	0	1
South America 7/	10.6	0.2	-0.2	0.5	3	1	5
Brazil 1/	30.6	0.1	-0.1	0.2	6	6	4
Colombia 4/	10.9	0.1	-0.1	0.0	1	1	0
Venezuela 1/	14.8	0.1	-0.2	0.1	5	7	4
Western Europe 5/	6.2	0.5	-1.1	1.0	4	2	3
European Union 5/	6.6	0.5	-0.7	1.0	1	1	7
Central and E. Europe	28.9	0.2	-0.2	0.8	2	8	16
FSU/New Ind States	21.6	0.3	-0.8	0.5	14	2	10
Russia 5/	35.3	0.2	-0.2	0.6	4	1	4
Middle East	12.8	0.2	-0.5	0.6	10	1	15
Turkey 2/	19.2	0.1	-0.1	0.2	3	0	2
Saudi Arabia 1/	11.8	0.1	-0.1	0.1	4	8	4
Africa	8.9	0.2	-0.5	0.4	11	2	13
North Africa	9.3	0.1	-0.3	0.5	10	6	10
Egypt 1/	9.3	0.1	-0.3	0.2	5	4	7
Sub-Sahara	15.3	0.1	-0.4	0.2	14	3	9
Oceania	13.1	0.0	-0.3	0.1	7	17	2
World	5.1	1.9	-6.1	4.3	15	1	10

1/ 1987/88-2002/03. 2/ 1998/99-2002/03. 3/ 1980/81-2002/03. 4/ 2001/02-2002/03 only.

5/ 1994/95-2002/03. EU-15 formed in 1995. 6/ Intermittent.

Table 7--Reliability of United States February import projections, by country, fiscal years 1989/90-2002/2003

Country/Region	Differences between February projections and final data						
	Average	Average	Max below	Max above	Below	Equal	Above
	Percent	-----Billion dollars-----			Number of years		
Canada	5.7	0.4	-0.7	0.4	7	0	2
Mexico	5.3	0.2	-0.7	0.2	4	3	2
South America 1/	5.6	0.3	-0.4	-0.1	2	0	0
Brazil	24.2	0.3	-0.3	1.3	3	1	5
Colombia 2/	6.5	0.1	-0.1	0.1	1	2	2
Chile 3/	11.8	0.1	-0.2	0.3	4	3	1
Central America 2/	11.6	0.2	-0.3	0.4	2	1	2
Costa Rica 2/	7.3	0.1	0.0	0.1	0	2	3
Caribbean 4/	11.3	0.1	-0.1	0.1	1	2	1
Western Europe	6.2	0.5	-1.0	0.8	7	0	2
European Union	5.6	0.4	-1.1	0.1	6	1	2
Eastern Europe	16.2	0.0	-0.1	0.1	1	5	3
FSU/New Ind. States	52.6	0.0	-0.2	0.0	2	7	0
Asia, excl. Mid East	7.7	0.4	-0.8	0.8	4	1	4
China	4.4	0.0	-0.1	0.0	2	7	0
Southeast Asia 3/	9.4	0.3	-0.7	0.4	3	0	5
Indonesia 2/	16.7	0.2	-0.2	0.3	2	0	3
Thailand 2/	10.7	0.1	-0.2	0.1	1	2	2
South Asia 3/	12.9	0.1	-0.2	0.2	4	2	2
Oceania	5.3	0.1	-0.4	0.1	3	3	3
Australia 2/	5.7	0.1	-0.3	0.1	1	3	1
New Zealand 2/	5.5	0.1	-0.1	0.1	1	2	2
Africa	8.6	0.1	-0.1	0.1	5	3	1
Ivory Coast 2/	23.2	0.1	-0.1	0.1	1	2	2
Middle East	19.7	0.1	-0.2	0.2	3	2	4
Turkey 2/	12.9	0.0	0.0	0.1	0	3	2
World	4.0	1.5	-2.9	1.2	6	0	3

1/ 2001/02-2002/03 only. 2/ 1998/99-2002/03. 3/ 1995/96-2002/03. 4/ 2000/01-2002/03.

Contacts and Links

Coordinators

Carol Whitton (Cwhitton@ers.usda.gov) 694-5293

Ernest Carter (ECarter@fas.usda.gov) 720-2922

Editorial support

Martha Evans,
Information Services Division, ERS.

Commodity information—ERS

Beef Dale Leuck (DJLEUCK) 694-5186
Cotton Steve MacDonald (STEPHENM) 694-5305
Food Aid Stacey Rosen (SLROSEN) 694-5164
Horticulture Gary Lucier (GLUCIER) 694-5253
Imports Andy Jerardo (AJERARDO) 694-5266
Macroeconomics Matt Shane (MSHANE) 694-5282
Oilseeds Mark Ash (MASH) 694-5289
Pork Mildred Haley (MHALEY) 694-5176
Poultry Dave Harvey (DJHARVEY) 694-5177
Rice Nathan Childs (NCHILDS) 694-5292
Wheat/Feed Grains Ed Allen (EWALLEN) 694-5288

Regional information

Canada John Wainio (JWAINIO) 694-5211
Mexico Steven Zahniser (ZAHNISER) 694-5230
South America Constanza Valdes (CVALDES) 694-5225
China, Hong Kong, and Taiwan Francis Tuan (FTUAN) 694-5238
Japan and Other Asia John Dyck (JDYCK) 694-5221
European Union Dave Kelch (DKELCH) 694-5151
Russian Federation Bill Liefert (WLIEFERT) 694-5156
East Europe Nancy Cochrane (COCHRANE) 694-5143

All telephones are area code 202.

E-mail addresses are in capital letters in parentheses.

All ERS Emails are @ers.usda.gov.

All FAS Emails are @fas.usda.gov.

Commodity information—FAS

Cotton James Johnson (JOHNSONJ) 690-1546
Dairy, Livestock, & Poultry Wendell Dennis (DENNISW) 720-1319
Export Programs Martha Keplinger (MARTHA.KEPLINGER) 720-3277
Food Aid Programs Robin Tilsworth (TILSWORTH) 720-4221
Grains and Feeds Richard O'Meara (OMEARAR) 720-4933
Horticultural & Tropical Products Nancy Hirschhorn (HIRSCHHORN) 720-2974
Oilseeds Bill George (GEORGE) 720-0143
Seeds Anne Player (PLAYER) 720-7037
Tobacco Pete Burr (BURR) 720-9493

Web Sites

U.S. Trade Data: Foreign Agricultural Service's (FAS) interactive database of monthly U.S. trade data, including FATUS data: <http://www.fas.usda.gov/ustrade>.

FAQ & Summary Data: ERS' answers to trade questions and summary trade tables: <http://www.ers.usda.gov/data/fatus/>.

Articles on Trade: ERS' U.S. Agricultural Trade Briefing Room contains special articles and features on U.S. and global trade: <http://www.ers.usda.gov/briefing/agtrade>

Subscription Information

Subscribe to the ERS e-mail notification service at <http://www.ers.usda.gov/updates> to receive timely notification of newsletter availability. Printed copies can be purchased from the USDA Order Desk by calling 1-800-999-6779 (specify the issue number or series SUB-AES-4035).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.